



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 8, 2010

CERTIFIED RETURN RECEIPT
7003 2260 0002 0247 9390

Jonna True
1501 6th St.
Harborlite Corporation
P. O. Box 287
La Grande, Oregon 97850

Subject: Notice of Cancellation/Termination of Reclamation Surety Bond Number 1008577, Harborlite Corporation, Black Springs Mine, S/027/0089, Millard County, Utah

Dear Ms. True:

Please review the enclosed Notice of Cancellation from the Lexon Insurance Company indicating the surety bond in the amount of \$17,000.00 is being cancelled in accordance to the provisions of the bond. According to the terms of the surety bond, the insurance company may elect not to renew as long as a ninety (90) day notice is given to the Division. These terms have been met; therefore, effective July 4, 2010, the surety bond will be cancelled. Paragraph 2 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt (April 5, 2010) of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety on or before June 4, 2010 or the Division will be forced to do any/some of the following:

- Carry out the terms of surety bond number 1008577
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email bondcoordinator@utah.gov. Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:pb

Cc: jblake@utah.gov

Jessica Sturges, Lexon Insurance Company

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